UNITED STATES DISTRICT COURT DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

Re: ECF Nos. 21562, 21563, 21567

(Jointly Administered)

<u>URGENT OMNIBUS</u> <u>MOTION FOR EXTENSION OF DEADLINES</u>

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority ("<u>AAFAF</u>"), on behalf of the Commonwealth of Puerto Rico (the "<u>Commonwealth</u>"), pursuant to the authority granted to it under the *Enabling Act of the Fiscal Agency and Financial Advisory Authority*, Act 2-2017, respectfully submits this urgent omnibus motion (the "<u>Urgent Motion</u>") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "<u>Proposed Order</u>"), extending the

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The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

deadlines set forth in the *Order Scheduling Briefing of Motion to Compel Enforcement of the Terms* of *Stipulation and for Contempt* (the "Scheduling Order")² [ECF No. 21567].

Background

- 1. On July 21, 2022, the certified class plaintiff in case <u>Gladys García Rubiera, etc.</u>, <u>v. Hon. Luis G. Fortuño, et al.</u>, Civil No. 02-1179 (GAG) (the "<u>Movant</u>") filed (i) a *Motion to Compel Enforcement of the Terms of Stipulation and for Contempt* (the "<u>Motion</u>") [ECF No. 21562] and (ii) a *Memorandum in Support of Motion to Compel Enforcement of the Terms of Stipulation and for Contempt* (the "<u>Memorandum</u>" and, collectively with the Motion, the "<u>Motion to Compel</u>") [ECF No. 21563], seeking, from the Commonwealth, payment of certain compulsory vehicle insurance premiums pursuant to a certain stipulation dated February 29, 2016 (the "<u>Stipulation</u>"), averring that the Commonwealth has allegedly imposed on the Movant additional requirements to those covenanted in the Stipulation.
- 2. Through the Motion to Compel, Movant further requests that the Court order the Commonwealth to "issue checks to all approved claimants and sent to their mailing addresses, as provided in the approved claim forms", arguing that "interest should be awarded from the date the application was approved". *See*, Memorandum at p. 7.
- 3. Pursuant to the Scheduling Order, the deadline for the Commonwealth to respond to the Motion to Compel is August 2, 2022, at 5:00pm, and the deadline for the Movant to file a reply, if any, to such response is August 9, 2022, at 5:00pm.

The Financial Oversight and Management Board for Puerto Rico (the "FOMB"), as the Commonwealth's representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* ("PROMESA"), has authorized AAFAF to file this Urgent Motion on behalf of the Commonwealth. Furthermore, the FOMB recently asked AAFAF to prepare and submit the Commonwealth's response to the Motion to Compel.

Relief Requested

- 4. Since the filing of the Motion to Compel, the Commonwealth has been expeditiously working with gathering the necessary information (which, as noted in the Memorandum³, stems from twenty (20) years of litigation) to properly evaluate the allegations included therein and the relevant documentation referenced in it within the timeframe set forth in the Scheduling Order.
- 5. Further, the FOMB recently requested that AAFAF be the party responding to the Motion to Compel, thus, AAFAF has since worked and substantially advanced its draft response. Nonetheless, it needs a short extension of time to validate and review certain information received yesterday from the Puerto Rico Treasury Department and the Department of Justice, which information is crucial to provide this Court will all necessary information and documents to allow it to be in a position to adjudicate the matters raised in the Motion to Compel. Further, AAFAF requires this short extension of time to allow the Department of Justice and the Puerto Rico Treasury Department to review and provide their comments, if any, to such response prior to filing the same.
- 6. AAFAF had previously requested that the Movant consent to an extension of time of two (2) weeks to respond to the Motion to Compel, and Movant did not so consent. Nonetheless, AAFAF has reached out to Movant to discuss whether it would consent to the much-shortened extension requested herein and has not been able to reach Movant. Accordingly, since AAFAF does not know if Movant would consent to such short extension at this stage, AAFAF is not filing this as a consented extension.

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³ See, Memorandum at p. 1.

- 7. Therefore, to properly respond to the Motion to Compel and the allegations set forth therein– after having the benefit of validating all relevant information and documentation in connection therewith to put this Court in a position to evaluate the same–the Commonwealth proposes the following extensions of the deadlines set forth in the Scheduling Order:
 - The deadline for the Commonwealth to respond to the Motion to Compel shall be extended to Friday, **August 5, 2022**.
 - The deadline for Movant to file a reply to the Commonwealth's response to the Motion to Compel, if any, shall be extended to **August 12, 2022**.
 - The Court will thereafter take the Motion to Compel on submission, unless the Court determines that a hearing is necessary.
- 8. Pursuant to Paragraph I.H of the *Sixteenth Amended Notice*, *Case Management and Administrative Procedures* [ECF No. 20190-1] (the "Case Management Procedures"), the Commonwealth hereby certifies that it has carefully examined the matter and concluded that there is a true need for this Urgent Motion; it has not created the urgency through any lack of due diligence; has made a bona fide effort to resolve the matter without a hearing; has made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court, and that the Movant has anticipated that it intends to object to the relief sought in the Urgent Motion.

Notice

9. The Commonwealth has provided notice of this Urgent Motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors' bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims

against COFINA; (d) counsel to the statutory committees appointed in these Title III cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Oversight Board; (g) the Puerto Rico Department of Justice; (h) all parties filing a notice of appearance in these Title III cases; and (i) the Movant. A copy of the Urgent Motion is also available on the Commonwealth's case website at https://cases.primeclerk.com/puertorico/.

10. The Commonwealth submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Commonwealth requests the Court enter the Proposed Order and grant such other relief as is just and proper.

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Dated: August 2, 2022 San Juan, Puerto Rico

Respectfully submitted,

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Attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority Exhibit A
Proposed Order